This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 07 TEL AVIV 006368

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

JERUSALEM ALSO FOR ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO E.O. 12958: N/A TAGS: IS KMDR MEDIA REACTION RE

TAGS: IS KMDR MEDIA REACTION REPORT SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

Jerusalem Post quoted British diplomatic officials as saying that PM Sharon has "softened" his opposition to a British-sponsored international conference on the Middle East after hearing more about the proposed British agenda. The newspaper quoted one British official as saying that Nigel Sheinwald, British PM Tony Blair's primary foreign policy adviser, made clear to Sharon during a two-day visit that ended Tuesday that the British have no intention of using the planned conference to leapfrog over phase one of the road map.

All media quoted PLO Chairman Mahmoud Abbas (Abu Mazen) as saying in an interview published Tuesday in the London-based newspaper Ash-Sharq Al-Awsat that the use of weapons in the second Intifada was a mistake and that it should end (banner in Ha'aretz). Israel Radio quoted White House Press Secretary Scott McClellan as saying Tuesday that the U.S. welcomes "steps aimed at fighting terrorism."

Israel TV and Israel Radio quoted Israeli diplomats as saying that the work of the Israeli Embassy in Washington -- at echelons lower that the top level -- has been affected by the FBI investigation of the pro-Israel lobby AIPAC on suspicion that it transferred secret information about Iran to Israel.

### SIPDIS

All media reported on the signing of the U.S.-brokered Israeli-Egyptian free trade agreement in Cairo on Tuesday. Ha'aretz cited a statement issued by FM Shalom as saying that the agreement will increase trade and that Israel "hopes the movement of goods and entrepreneurs will lead to warmer relations will lead to warmer relations between the peoples, giving expression to the fruits of peace." Jerusalem Post reported that USTR Robert Zoellick called the accord, which requires ratification by the U.S. Congress, the "most important agreement between Israel and Egypt in 20 years," and quoted him as saying it sent a strong signal across the entire Middle East. Yediot quoted Egyptian President Hosni Mubarak as saying, at a meeting with Trade, Industry and Employment Minister Ehud Olmert, that Sharon is a "reliable person" and a "strong man."

Yediot reported that fearing the digging of further explosive tunnels in the Gaza Strip, the IDF's Southern Command is bracing for the evacuation of some outposts before the withdrawal that is supposed to take place next summer.

All media reported that a female Thai agricultural worker was killed Tuesday in a mortar attack in the greenhouses of the Gaza Strip settlement of Ganei Tal. Israel Radio reported that Thailand's Employment Minister will arrive in Israel on Thursday to try to convince Thais employed in Israel to come back home. Israel Radio reported that this morning a Qassam rocket was fired at the settlement, and that afterwards heavy exchanges of fire took place in the area.

Saying that the Labor Party insists on getting key ministerial portfolios in the next government, the media continued to cover the continued stalemate in Likud-Labor coalition negotiations, and Likud's talks

with the ultra-Orthodox parties.

Ha'aretz cited the state's response to a High Court petition by residents of Nirit, a community inside the Green Line, which asks the court to rule that a suburb of the settlement of Alfei Menashe, across the Green Line from Nirit yet due to share Nirit's infrastructure, is illegal, and to rule a halt to the construction. The state responded Tuesday that the government decision adopting the road map that obligates Israel "to freeze all settlement activity, including natural growth," has no operative legal standing.

Israel Radio cited the London-based newspaper Al-Quds Al-Arabi as saying that current PLO representative at the UN Nasser al-Qidwa could replace Nabil Shaath as foreign minister of the PA, among other changes in the PA cabinet's' make-up.

Ha'aretz says that Sharon is expected to tell the Herzliya Conference Thursday that his disengagement plan will present the Palestinians with an opportunity to take responsibility for their own fate, and that it could become the basis for a expansive diplomatic process in the Middle East. Leading media reported that Finance Minister Binyamin Netanyahu told the conference Tuesday that there will be no peace without democratization of the PA.

Israel Radio quoted Foreign Ministry D-G Ron Prosor as saying today at the Herzliya Conference that Israel should seriously consider Syria's negotiating proposals.

Leading media reported that Tuesday Defense Minister Shaul Mofaz ordered the closure of the Rafah border crossing until further notice, following Sunday's attack on an IDF outpost there.

Jerusalem Post cited denials by Cristina Gallach, spokeswoman for EU foreign policy chief policy chief Javier Solana, and by State Department Spokesman Richard Boucher, of claims made by Hamas's political leader Khaled Mashal on Monday that his organization has held contacts with the EU and U.S. Jerusalem Post reported that fearing an Israeli reprisal attack, Hamas has decided to cancel a major rally marking the 17th anniversary of its founding, which was supposed to be held in one of Gaza City's stadiums on Friday. Ha'aretz quoted Fathi Hamad, a member of the Sura Council, the supreme Hamas religious body in Gaza responsible for the organization's communications system in Gaza, as saying two months ago that a growing rift between Hamas and Islamic Jihad has led to a break in cooperation between the two groups, and that it is threatening to lead to an all-out clash between them. Ha'aretz says that Hamad had been speaking to a group of the organization's Communications Councils, whose job is to promote Hamas in the Palestinian, Arab and international press.

Jerusalem Post reported that the Foreign Ministry is putting together a new diplomatic initiative aimed at finding a permanent solution to the issue of the Palestinian refugees in the territories and in neighboring countries. Israel reportedly intends to ask countries that financially support the PA to invest capital in finding permanent housing solutions for Palestinians living in the refugee camps in the Gaza Strip, West Bank, Syria, and Lebanon

Jerusalem Post reported that the Association of Civil Rights in Israel and the Jerusalem Center for Human Rights asked the High Court of Justice on Tuesday to stop the army from beginning construction of the security fence near three Palestinian villages, even though it has already changed its original route for the benefit of the villagers. The petition dealt with the section of the fence around Dir Balut and Rafat, east of Rosh Ha'ayin. The Internet news service NanaNews reported that seven left wing activists, including four Israelis and three foreign nationals, were arrested on Tuesday morning during a demonstration against the separation fence in the village of Bilain, near Modiin. The seven were arrested after the IDF declared the area a closed military zone.

Ha'aretz, Yediot and Jerusalem Post reported that Tuesday the Knesset's Finance Committee approved the transfer of 2 million shekels (around USD 460,000) in state funds for developing tourism in the territories, as part of a planned transfer of 4 million shekels for tourism projects in the territories. The projects include the building of a new entranceway to the Gush Katif settlement bloc, which is slated for evacuation

within a year.

All media reported that the police might have found connections between several deaths and disappearances in northern Israel, including the vanishing of AmCit Dana Bennet in the summer of 2003. Ha'aretz reported that the Palestinian candidates in the PA elections are decrying IDF obstructions to their freedom of movement.

Hatzofe reported that about 50 religious leaders from various communities and faiths in Israel will gather in Haifa today and issue a joint call to act against violence and incitement and in favor of peace.

Yair Reinman, secretary-general of the National Religious Party-affiliated Religious Kibbutz Movement, was quoted as saying in an interview with Jerusalem Post that the religious Zionists' single-minded push to settle beyond the Green Line had been a tragedy.

Jerusalem Post reported that Presbyterians Concerned for Christian-Jewish Relations, a Presbyterian group, is mounting a campaign to reverse the Presbyterian Church USA's policy of divesting from companies that do business with Israel.

Ha'aretz and Yediot Tuesday reported that UN Secretary-General Kofi Annan has begun to poll UNGA members in an effort to convene a special commemorative session to mark the 60th anniversary of the liberation of Nazi concentration camps.

Prof. Phillip Zelikow, executive director of the National Commission on Terrorist Attacks Upon the United States, better known as the 9/11 Commission, was quoted as saying in an interview with Jerusalem Post: "Threat fatigue dulls the senses to information of novel intelligence." Zelikow, who is attending the Herzliya Conference, was also quoted as saying that Israel has the most to teach about intelligence.

Yediot reported that the national airline El Al will be effectively privatized on Sunday.

Erratum: An item in Tuesday's review should have read: "Maariv cited research conducted by an organization aiding new immigrants, according to which the Israeli economy gains USD 200,000 from each immigrant from North America."

Mideast:

## Summary:

Arab affairs commentator Danny Rubinstein wrote in left-leaning, independent Ha'aretz: "Lately ... there appears to be a change in public opinion in both the West Bank and Gaza, and Abbas can now make such a statement [against the use of weapons in the Intifada] without causing an uproar or provoking public opposition."

Foreign News Editor Arik Bachar wrote in popular, pluralist Maariv: "At this time the West is not interested in weakening Israel, but actually in strengthening her."

Nationalist writer Emuna Elon opined in mass-circulation, pluralist Yediot Aharonot: "What is important now is to take advantage of Arafat's passing in order to offer a concrete solution to the refugee problem."

# Block Quotes:

### 1. "Confident Abbas Can Afford to Be Anti-Weapons"

Arab affairs commentator Danny Rubinstein wrote in left-leaning, independent Ha'aretz (December 15): "Mahmoud Abbas is a confident man, certain of a landslide victory on January 9 in the Palestinian Authority's presidential elections. That is the conclusion that can be drawn from the clear statement he made in his interview with Ash-Sharq Al-Awsat against the use of weapons in the Intifada. Abbas's position was long known, and one that was repeated. But this is the

first time he has said so publicly after the death of Yasser Arafat. Abbas's stand against what he calls the 'military Intifada' caused him much damage in the past, as Palestinian public opinion largely supported attacks against Israel and condemned Abbas. Lately, however, there appears to be a change in public opinion in both the West Bank and Gaza, and Abbas can now make such a statement without causing an uproar or provoking public opposition. His confidence in his victory is the result of several elements, including Marwan Barghouti's dropping out of the race, which resulted in complete unity in Fatah behind Abbas... Abbas also feels good about his ability to reach an agreement with Hamas... Abbas also feels good about his ability to reach an agreement with

### II. "The World Actually Supports Israel"

Foreign News Editor Arik Bachar wrote in popular, pluralist Maariv (December 15): "Without much fanfare, the connection between Israel and the NATO alliance — the strongest military body since the Roman Empire — is tightening. During 2005, we'll most certainly see IDF troops take part in one of the central arenas of the battle against international terrorism... [Also,] the tightening of ties between Israel and very powerful regional bodies, such as the EU and NATO, raises a range of possibilities. At this time the West is not interested in weakening Israel, but actually in strengthening her.... It is clear that the destruction of Israel's power would encourage fundamentalist terrorism, which has long turned from Israel's private problem into the key threat to international stability."

#### III. "Refugees Now"

Nationalist writer Emuna Elon opined in masscirculation, pluralist Yediot Aharonot (December 15): "More and more Israelis are finally beginning to understand that the refugee camps will not disappear of their own accord, the aspiration of the camp residents to return to their lands inside Israel will not dissipate over time, and the terror issuing from the camps will not stop as long as the aspiration to return is alive and kicking. Still, only few people place the issue of Palestinian refugees in its proper place, high on the national agenda. Therefore, Foreign Minister Silvan Shalom should be praised for the courageous speech he intends to give today on this topic at the Herzliya Conference.... What is important now is to take advantage of Arafat's passing in order to offer a concrete solution to the refugee problem. It is important to mobilize the international community to invest billions in rehabilitating the refugees, it is imperative to require Syria and Lebanon to absorb the residents of the camps in their territory, and it is vital to ask other countries in the world to also take in Palestinian refugees to the best of their ability, since only a small portion of them can be settled in Judea, Samaria and Gaza [i.e. the territories]. Minister Shalom is supposed to speak today about all of this, and he must not be deterred by those who allege that his plan is 'not logical': it is much less logical to ignore the refugee camps as Israel has done up until now, or to refuse to rehabilitate them on the grounds that their rehabilitation would constitute a 'transfer.'"

KURTZER